

Message Text

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71

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POUCHED INFO ALL CONSULATES IN CANADA

E.O. 11652: N/A

TAGS: ENRG, CA, US

SUBJECT: PRESS REPORTS "CANADA-U.S. OIL CRISIS BUBBLING"

1. NOVEMBER 15 OTTAWA JOURNAL FRONT-PAGES SUBJECT STORY, STATING "CANADA-U.S. RELATIONS SHOWED THE FIRST SIGNS OF A MAJOR STRAIN WEDNESDAY OVER THE IMPENDING ENERGY CRISIS. THERE WERE ACCUSATIONS IN THE UNITED STATES FROM SEVERAL QUARTERS THAT THE NATIONAL ENERGY BOARD IS INTERFERING WITH THE SHIPMENT OF 'BONDED' OIL AND OIL PRODUCTS." ARTICLE ATTRIBUTES SPECIFIC ACCUSATION TO CONGRESSMAN MCEWEN (NEW YORK) DURING COURSE OF CONGRESSIONAL SUB-COMMITTEE HEARINGS IN WASHINGTON.

2. JOURNAL GOES ON TO STATE THAT "THE CHARGE WAS HASTILY DENIED" BY ENERGY MINISTER MACDONALD WHO SAID THERE HAVE BEEN "NO KNOWN CASES OF ANY UNDUE DELAY" AND "U.S.-OWNED OIL...IS BEING DELIVERED TO ITS DESTINATION WITHOUT DELAY."

3. ARTICLE ALSO STATES, "FEDERAL SOURCES CLOSE TO THE NATIONAL ENERGY BOARD RESPONDED WITH A BLAST OF THEIR OWN: THE AMERICAN CHARGES ARE 'JUST SO MUCH HOT AIR' AND ARE NOT BASED ON THE FACTS KNOWN TO THE NEB. MORE UNCLASSIFIED

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SPECIFICALLY, AS FAR AS THE NEB IS CONCERNED, NONE OF

THE OIL IN CANADA OR AT CANADIAN PORTS IS IN FACT
'IN BOND.'"

4. IN SAME ACCOUNT, MACDONALD IS ATTRIBUTED WITH
SAYING THAT THE "SURPLUS ONLY" POLICY FOR EXPORTS TO
THE U.S. EVEN APPLIES TO U.S. BUYERS WHO HAVE CONTRACTS
WITH CANADIAN COMPANIES OR WHO HAVE EVEN PAID IN
ADVANCE FOR OIL SHIPMENTS.

5. IN CONCLUSION, JOURNAL STATES THAT SENATOR
MONDALE HAS CALLED FOR EMERGENCY DISCUSSIONS BETWEEN
CANADA AND U.S. AND INVOLVING THE PRESIDENT ON THE
ENERGY CRISIS AND POSSIBLE WAYS FOR THE TWO COUNTRIES
TO WORK TOGETHER.

6. BOTH TORONTO GLOBE AND MAIL (ROSS MUNRO) AND
MONTREAL GAZETTE OF NOVEMBER 15 ALSO CARRIED STORIES
ON CONGRESSIONAL (REPS MCEWEN, DINGELL AND KEMP)
INTEREST AND COMPLAINTS REGARDING CANADIAN OIL POLICY.
MUNRO ARTICLE DEVOTED PRIMARILY TO MCEWEN'S ALLEGATIONS
ABOUT DIVERSION OF U.S.-OWNED OIL AND HIS SUGGESTION
THAT CANADA HAS VIOLATED THE BOUNDARY WATERS TREATY OF 1909.
SCHMIDT

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